

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA TELECOMMUNICATIONS SERVICES, INC.	DOCKET NO. RPU-01-7
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ORDER ESTABLISHING PROCEDURAL SCHEDULE

(Issued July 5, 2001)

On June 1, 2001, Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom (Iowa Telecom), submitted a proposed tariff revision concerning its Premium Calling Plan. The filing was identified as TF-01-159. On June 29, 2001, the Board issued an order docketing the tariff for an investigation, identified as Docket No. RPU-01-7.

In the docketing order, the Board identified at least two issues to be considered. The first is whether the Premium Calling Plan is a deregulated interexchange service that should be removed from Iowa Telecom's tariff altogether, pursuant to Iowa Code § 476.1D (2001) and Board orders deregulating interexchange services. (See "Order Finding Certain Services Subject To Effective Competition And Other Services Not Subject To Effective Competition" issued May 20, 1996, in Re: Deregulation Of Competitive IntraLATA Interexchange Services, et al., Docket No. INU-95-3, and "Order Granting Deregulation Petition In Part And Directing Additional Investigation Into Competitiveness Of Operator-Assisted MTS" issued April 5, 1989, in Re: Deregulation Of InterLATA Interexchange

Message Telecommunications Service, et al., Docket No. INU-88-2.) It appears this question turns primarily on legal questions, rather than questions of fact, and the Board will require that the parties brief this question prior to the hearing in this matter. If the briefs identify disputed questions of fact, they can be addressed at the hearing.

The second issue arises only if the service is not deregulated and instead is a nonbasic communications service as defined in Iowa Code § 476.96(6). In that case, the Board must decide whether Iowa Telecom's methodology for estimating the revenue increase that would result from the tariff (for purposes of § 476.97(11)"e"(3)) is appropriate. As noted in the docketing order, Iowa Telecom's calculation of the projected revenue increase assumes the customers who currently use this service the most will migrate to another service if the tariff change is approved. Typically, telephone utilities operating under price regulation plans have not adjusted their projected revenues for elasticity of demand when projecting the revenue impact of a proposed rate increase. However, such an adjustment may be appropriate in the special circumstances of this case, and (if the Board concludes this is not a deregulated service) the Board will hear evidence and argument concerning this issue, as well as any other issues that may arise during the course of this proceeding.

IT IS THEREFORE ORDERED:

1. The procedural schedule in this matter will be as follows:
 - a. On or before July 20, 2001, all parties to this proceeding shall file initial briefs or statements addressing the question of whether Premium

Calling Plan is (or should be) a deregulated service pursuant to Iowa Code § 476.1D.

b. On or before August 3, 2001, all parties shall file reply briefs or statements addressing the deregulated service issue.

c. Iowa Telecom and any intervenors supporting Iowa Telecom's proposal shall file prepared direct testimony in support of its proposed tariff revision, with supporting exhibits and workpapers, on or before August 31, 2001.

d. The Consumer Advocate Division of the Department of Justice and any intervenors opposed to Iowa Telecom's proposed tariff shall file testimony, with supporting exhibits and workpapers, on or before September 28, 2001.

e. Iowa Telecom and any intervenors supporting Iowa Telecom's proposal shall file rebuttal testimony, with supporting exhibits and workpapers, on or before October 12, 2001.

f. A hearing for the purpose of receiving testimony and cross-examination of all testimony will commence at 9 a.m. on October 31, 2001, in the Board's hearing room at 350 Maple Street, Des Moines, Iowa. Parties shall appear at the hearing one-half hour prior to the time of hearing to mark exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Board at 515-281-5256 to request that appropriate arrangements be made.

g. Any party desiring to file a brief may do so on or before
November 9, 2001.

2. In the absence of objection, all workpapers shall become a part of the
evidentiary record at the time the related testimony and exhibits are entered in the
record.

3. In the absence of objection, all data requests and responses referred
to in oral testimony or cross-examination, which have not previously been filed with
the Board, shall become a part of the evidentiary record. The party making
reference to the data request or response shall file an original and six copies at the
earliest possible time.

4. In the absence of objection, if the Board calls for further evidence on
any issue and that evidence is filed after the close of hearing, the evidentiary record
shall be reopened and the evidence will become a part of the evidentiary record five
days after filing. All evidence filed pursuant to this paragraph shall be filed no later
than seven days after the close of hearing.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Acting Executive Secretary

Dated at Des Moines, Iowa, this 5th day of July, 2001.